

# LAKE ZUMBRO RESTORATION PROJECT IN OLMSTED AND WABASHA COUNTIES

An aerial photograph of Lake Zumbro, showing a boat's wake in the water. The lake is surrounded by dense green trees and some buildings on the shore. The sky is bright and clear.

**Public Hearing on Improvements**

**September 30, 2015**

# Outline

- Purpose of Hearing on Improvements
- Background
- Proposed Construction
- Project Area
- Assessment Methodology
- Minnesota Statute Chapter 429 Process
- Costs
- Schedule
- Public Comments

# Public Hearing on Improvement

- Purpose

This is a Hearing for Olmsted-Wabasha Lake Zumbro Joint Powers Board to receive public input, and then to determine whether or not to proceed with the project

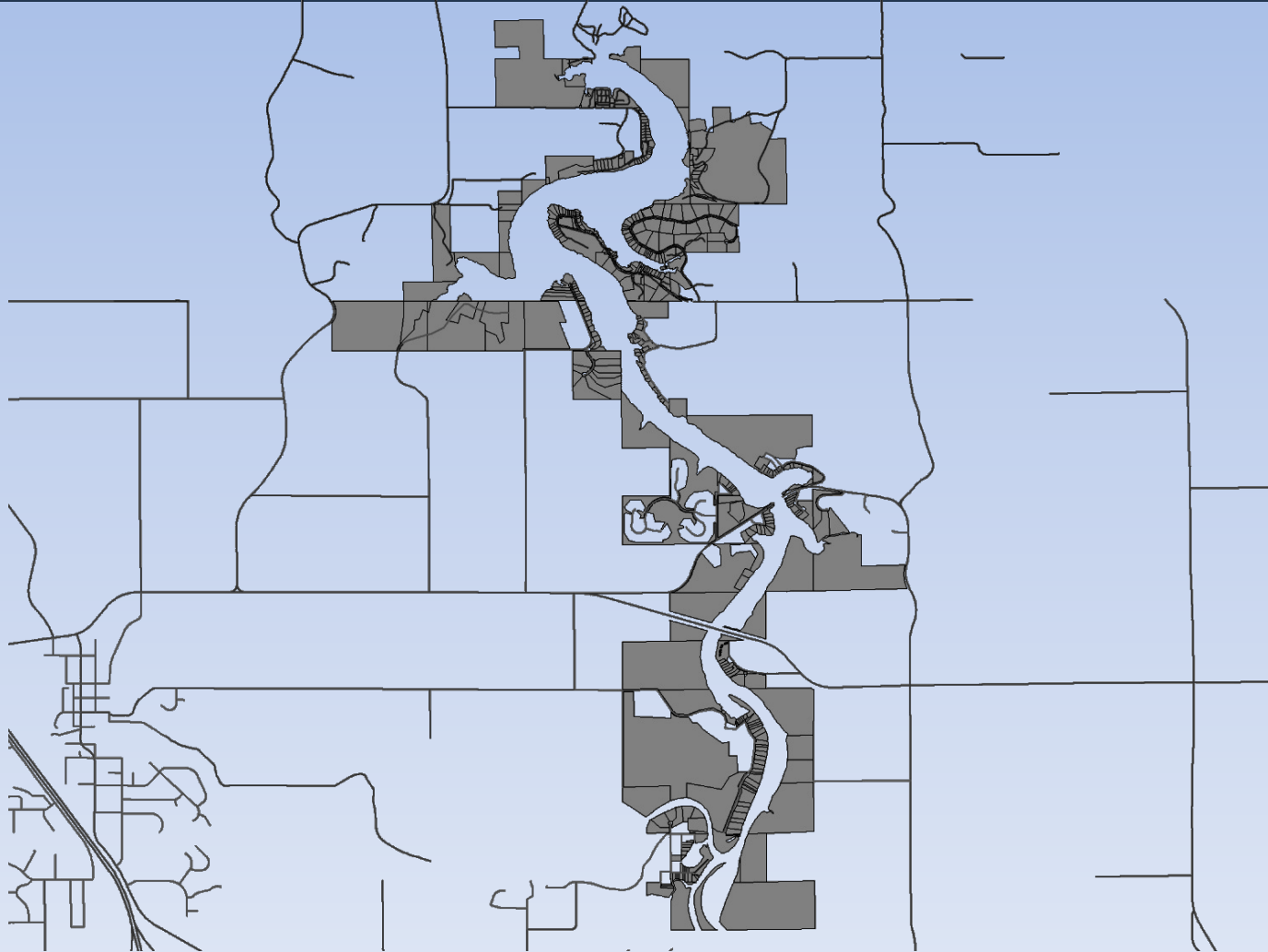
# Background

- Creation of Lake Zumbro in 1919
- Recreational use of Lake Zumbro
- Severe accumulation of sediment
- Lake Zumbro Volunteers

# Background

- **Joint Powers Board (JPB) Agreement**
  - Agreement was amended in the Spring of 2015 to designate the JPB as the joint county authority to undertake projects of improvement consistent with the purposes of the LZID.
- **Lake Zumbro Improvement District (LZID)**
  - LZID was created with the intent to assess property owners for a portion of the project costs
- **LZID Board (Minnesota Statute 103B)**
  - Coordinates activities of the LZID, serves as an advisory board to the JPB
- **Feasibility Report (Minnesota Statute 429)**
  - Is feasible
  - An estimate of the improvement's cost
  - A reasonable estimate of the total amount to be assessed
  - A description of the methodology used to calculate individual assessments for affected property

# Project Area (LZID Boundary)



# Feasibility Report

- **Project Feasibility Report**

A Feasibility Report, to construct the Lake Zumbro Restoration Project, was presented to the Joint Powers Board (JPB) on August 26, 2015.

- **Feasibility Report is based on the following documents and reports:**

Lake Zumbro Sediment and Dredging Assessment dated December 12, 2006.  
(Revised January 2007).

Preliminary Engineering Report, Lake Zumbro Restoration dated November 2011.

# Proposed Construction

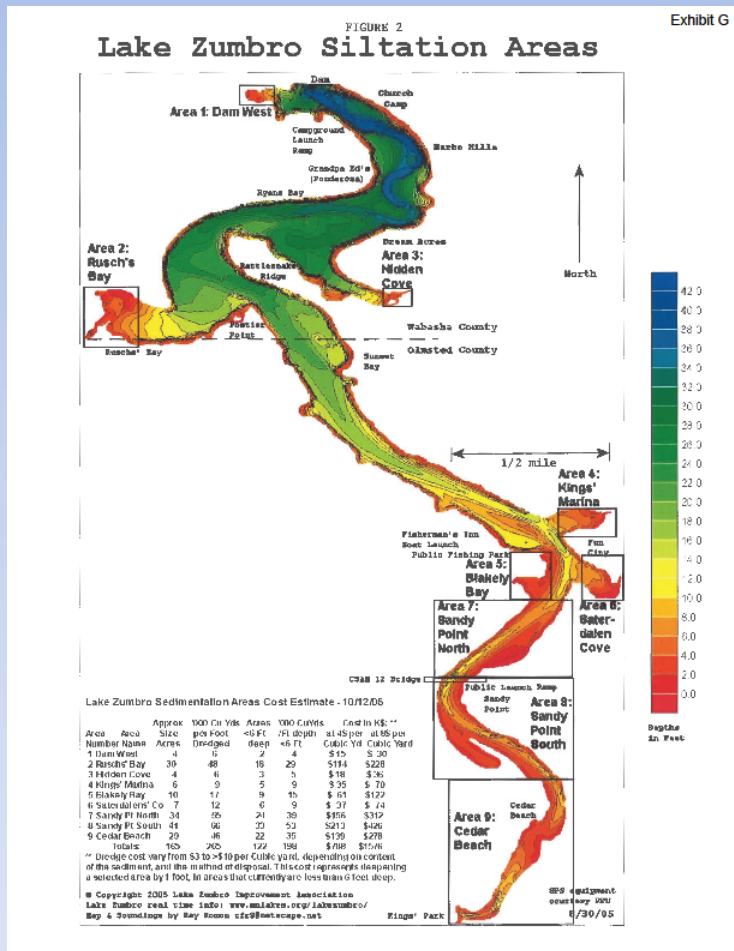
- Remove sediment
- Improve recreational navigation of the lake
- Increase the storage capacity of the lake, allowing RPU to optimize hydro operations and potentially increase electrical generation
- Restore lake access to shoreline property owners where sedimentation and plant growth has compromised riparian access rights (i.e. restore boat access between property and lake)



# Proposed Construction

- Create and maintain sustainable sediment storage/management areas to reduce areas to be dredged in the future
- Improve / prevent further degradation of Lake Zumbro water quality
- Improve aquatic habitat where feasible (with input from MDNR and regulatory agencies)

# Scope of Work



- Final dredge areas and volumes will be determined during Final design
- Permitting will impact
- Construction bid amount will impact

# Project Funding

- Project Funding

State of Minnesota	\$3.284 mil*
Rochester Public Utilities	\$1.167 mil
LZID Proposed Assessments	\$1.617 mil*
<u>Olmsted &amp; Wabasha Counties</u>	<u>\$0.500 mil</u>
Total Project Cost	\$6.568 mil

- \* LZFI Board passed a motion on 9/24/2015 that they intend to raise the remaining \$216,500 to maximize State bonding dollars.

# Assessment Methodology

- Each parcel has been assigned a parcel designation. The parcel designations and definitions are as follows:

## Parcel Designation

Non-Assessable

Commercial

Improved (abuts lake)

Improved (abuts lake, multiple parcels)

Improved (abuts lake via association parcel)

Un-Improved (abuts lake association owned)

Improved (abuts lake and is in association)

Improved (doesn't abut lake, in association)

Unimproved (abuts lake)

Unimproved (abuts lake, multiple parcels)

Dredging

No Dredging

## Definition

State, City (RPU), County, Township, or other Governmental Agency

Restaurant, campground, marina, etc.

Parcel contains a seasonal or year round residential dwelling

Multiple parcels with same owner

Parcel is lake front and has lake access via association parcel

Parcel owned by multiple property owners (townhomes, subdivisions, etc.)

Parcel abuts lake and is also in an association that owns a parcel that abuts lake

Parcel is improved , but has a shared lake access

Parcel does not contain a residential dwelling

Parcels are unimproved and parcels have same owner

Parcel is located in a designated dredging area

Parcel is not located in a designated dredging area

# Assessment Methodology

- Each parcel will be assigned an Residential Equivalent Unit (REU) based on the parcel's designation. One REU will be assigned to a parcel that abuts the lake and contains a seasonal or year round residential dwelling. A seasonal dwelling may consist of a cabin, trailer home, or camper.
- Commercial parcels are assigned an REU based on a combination of parcel size and land use.
- Association owned parcels that abut the lake will be assigned an REU based on the number of buildable lots within the association divided by 5. An example of a calculation for an association parcel is as follows:

$$\text{REUs} = \frac{\text{Buildable Lots}}{5} = \frac{45 \text{ buildable lots}}{5} = 9 \text{ REUs}$$

# Residential Equivalent Unit (REU)

- Residential Equivalent Unit (REU) Rate
  - Amount proposed to be assessed \$1,616,500
  - Residential Equivalent Unit (REU)

$$\frac{\$1,616,500}{356 \text{ REUs}} = \$4,541/\text{REU}$$

# REU Multiplier

- Individual Parcel's Assessment Amount

Parcel Designation	REU Rate Multipliers
<b>First Multiplier</b>	
Non-Assessable	0.00
Commercial	1.00
Improved (abuts lake)	1.00
Improved (abuts lake, multiple parcels)	1.00
Improved (abuts lake via association parcel)	0.50
Un-Improved (abuts lake association owned)	1.00
Improved (abuts lake and is in association)	1.00
Improved (doesn't abut lake, in association)	0.00
Unimproved (abuts lake)	0.00
Unimproved (abuts lake, multiple parcels)	0.00

# REU Multiplier

- Individual Parcel's Assessment Amount

**Second Multiplier**

Parcel Located in a Designated Dredging Area	1.15
Parcel Not Located in a Designated Dredging Area	0.85



# Assessment Amount

- Typical Individual Parcel's Assessment Amount  
(Parcel contains a seasonal or year round residential dwelling)

Parcel located in a designated dredging area

$$\text{\$4,541/REU} \times 1.15 \text{ REUs} = \text{\$5,222}$$

Parcel not located in designated dredging area

$$\text{\$4,541/REU} \times 0.85 \text{ REUs} = \text{\$3,860}$$

# Assessment Amount

- Commercial Parcels

Parcel located in designated dredging area:

Assigned REUs x \$4,541/REU x 1.15 = Assessment Amount

Parcel not located in designated dredging area:

Assigned REUs x \$4,541/REU x 0.85 = Assessment Amount

- Association Parcels

Will be assessed to the Association parcel, or prorated to each individual owner.

# Assessment Process (Minnesota Statute Chapter 429)

- JPB determines need for the Project
- JPB holds Hearing on Improvements to gather public input
- JPB considers public input and decides whether, or not, to proceed with the Project
- JPB orders the improvement
- JPB authorizes preparation of plans and specifications

# Assessment Process (Minnesota Statute Chapter 429)

- Project is publicly bid
- JPB conducts Assessment Hearing  
Final assessment amounts, interest rates, and deferral provisions determined
- JPB awards contract
- Project is constructed

# Project Schedule

- Hearing on Improvements Sept. 30, 2015
- Order Improvements Sept. 30, 2015
- Approve Plans July 2016
- Receive Bids Aug. 2016
- Assessment Hearing Aug. 2016
- Award Contract Aug. 2016
- Begin Construction Fall 2016
- Complete Construction Summer 2017

# Questions and Comments

Project documents are available for review  
at the following web-site:

[http://www.co.olmsted.mn.us/environmentalresources/waterresourcemanagement/  
Pages/LakeZumbroJointPowersBoard.aspx](http://www.co.olmsted.mn.us/environmentalresources/waterresourcemanagement/Pages/LakeZumbroJointPowersBoard.aspx)

# Thank You